

EXHIBIT D

AU Section 311

Planning and Supervision

(Supersedes SAS No. 22)

Source: SAS No. 108; SAS No. 114.

See section 9311 for interpretations of this section.

Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.

.01 The first standard of field work states, "The auditor must adequately plan the work and must properly supervise any assistants." This section establishes standards and provides guidance to the independent auditor conducting an audit in accordance with generally accepted auditing standards on the considerations and activities applicable to planning and supervision. Planning and supervision continue throughout the audit.

.02 Audit planning involves developing an overall audit strategy for the expected conduct, organization, and staffing of the audit. The nature, timing, and extent of planning vary with the size and complexity of the entity, and with the auditor's experience with the entity and understanding of the entity and its environment, including its internal control.

.03 Obtaining an understanding of the entity and its environment, including its internal control, is an essential part of planning and performing an audit in accordance with generally accepted auditing standards.¹ The auditor must plan the audit so that it is responsive to the assessment of the risk of material misstatement based on the auditor's understanding of the entity and its environment, including its internal control. Planning is not a discrete phase of the audit, but rather an iterative process that begins with engagement acceptance and continues throughout the audit as the auditor performs audit procedures and accumulates sufficient appropriate audit evidence to support the audit opinion. As a result of performing planned audit procedures,² the auditor may obtain disconfirming evidence that might cause the auditor to revise the overall audit strategy.

¹ Section 314, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, establishes standards and provides guidance on obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement, whether due to error or fraud, at the financial statement and relevant assertion levels. Section 318, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*, establishes standards and provides guidance on the auditor's overall responses and the nature, timing, and extent of further audit procedures that are responsive to the assessed risks.

² Paragraph .03 of section 314 provides guidance with respect to the procedures the auditor performs in obtaining an understanding of the entity and its environment to establish a frame of reference within which the auditor plans the audit and exercises professional judgment about assessing the risk of material misstatement of the financial statements.

.04 The auditor with final responsibility for the audit may delegate portions of the planning and supervision of the audit to other firm personnel.³ For purposes of this section, (a) firm personnel other than the auditor with final responsibility for the audit are referred to as *assistants* and (b) the term *auditor* refers to either the auditor with final responsibility for the audit or assistants.

Planning

Appointment of the Independent Auditor

.05 Early appointment of the independent auditor has many advantages to both the auditor and the client. Early appointment enables the auditor to plan the audit prior to the balance-sheet date.

.06 Although early appointment is preferable, an independent auditor may accept an engagement near or after the close of the fiscal year. In such instances, before accepting the engagement, the auditor should ascertain whether circumstances are likely to permit an adequate audit and expression of an unqualified opinion and, if they will not, the auditor should discuss with the client the possible necessity for a qualified opinion or disclaimer of opinion. Sometimes the audit limitations present in such circumstances can be remedied. For example, the taking of the physical inventory can be postponed or another physical inventory, which the auditor can observe, can be taken.

.07 Section 315, *Communications Between Predecessor and Successor Auditors*, provides guidance concerning a change of auditors. Among other matters, it describes communications that a successor auditor should evaluate before accepting an engagement.

Establishing an Understanding With the Client

.08 The auditor should establish an understanding with the client⁴ regarding the services to be performed for each engagement⁵ and should document the understanding through a written communication with the client. Such an understanding reduces the risk that either the auditor or the client may misinterpret the needs or expectations of the other party. For example, it reduces the risk that the client may inappropriately rely on the auditor to protect the entity against certain risks or to perform certain functions that are the client's responsibility. The understanding should include the objectives of

³ Paragraphs .14 through .20 of section 314 provide guidance about the discussion among the audit team. The objective of this discussion is for members of the audit team to gain a better understanding of the potential for material misstatements of the financial statements resulting from fraud or error in the specific areas assigned to them, and to understand how the results of the audit procedures that they perform may affect other aspects of the audit, including the decisions about the nature, timing, and extent of further audit procedures.

⁴ Generally, the auditor establishes an understanding of the services to be performed with the entity's management. In some cases, the auditor may establish such an understanding with those charged with governance. The term *those charged with governance* means the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting and disclosure process. In some cases, those charged with governance are responsible for approving the financial statements (in other cases, management has this responsibility). For entities with a board of directors, this term encompasses the term *board of directors* or *audit committees* expressed elsewhere in generally accepted auditing standards.

⁵ See paragraph .28 of QC section 10, *A Firm's System of Quality Control*. [Footnote amended due to the issuance of SQCS No. 7, December 2008.]

the engagement, management's responsibilities, the auditor's responsibilities, and limitations of the engagement.⁶

.09 An understanding with the client regarding an audit of the financial statements generally includes the following matters:

- The objective of the audit is the expression of an opinion on the financial statements.
- Management is responsible for the entity's financial statements and the selection and application of the accounting policies.
- Management is responsible for establishing and maintaining effective internal control over financial reporting.
- Management is responsible for designing and implementing programs and controls to prevent and detect fraud.
- Management is responsible for identifying and ensuring that the entity complies with the laws and regulations applicable to its activities.
- Management is responsible for making all financial records and related information available to the auditor.
- At the conclusion of the engagement, management will provide the auditor with a letter that confirms certain representations made during the audit.
- The auditor is responsible for conducting the audit in accordance with generally accepted auditing standards. Those standards require that the auditor obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements. If, for any reason, the auditor is unable to complete the audit or is unable to form or has not formed an opinion, he or she may decline to express an opinion or decline to issue a report as a result of the engagement.
- An audit includes obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, the auditor is responsible for ensuring that those charged with governance are aware of any significant deficiencies that come to his or her attention.
- Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to the auditor in the management representation letter that the effects of any uncorrected

⁶ The objectives of certain engagements may differ. The understanding should reflect the effects of those objectives on the responsibilities of management and the auditor, and on the limitations of the engagement. The following are examples:

- Audits of recipients of governmental financial assistance (see paragraph .10 of section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*).
- Application of agreed-upon procedures to specified elements, accounts, or items of a financial statement (see AT section 201, *Agreed-Upon Procedures Engagements*).
- Engagements to examine the design and operating effectiveness of an entity's internal control over financial reporting that is integrated with an audit of the entity's financial statements (see AT section 501, *An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements*).

misstatements⁷ aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

These matters should be communicated in the form of an engagement letter.

.10 An understanding with the client also may include other matters, such as the following:

- The overall audit strategy (see paragraphs .13 through .18)
- Involvement of specialists or internal auditors, if applicable
- Involvement of a predecessor auditor
- Fees and billing
- Any limitation of or other arrangements regarding the liability of the auditor or the client, such as indemnification to the auditor for liability arising from knowing misrepresentations to the auditor by management (regulators may restrict or prohibit such liability limitation arrangements)
- Conditions under which access to audit documentation may be granted to others
- Additional services to be provided relating to regulatory requirements
- Other services to be provided in connection with the engagement, for example, nonattest services, such as accounting assistance and preparation of tax returns subject to the limitations of Ethics Interpretation No. 101-3, "Performance of Nonattest Services," [ET section 101.05], under Rule 101, *Independence*.

Preliminary Engagement Activities

.11 In addition to the procedures related to the appointment of the auditor and establishing an understanding of the terms of the engagement as discussed above, the auditor should perform the following activities at the beginning of the current audit engagement:

- Perform procedures regarding the continuance of the client relationship and the specific audit engagement.
- Evaluate the auditor's compliance with ethical requirements, including independence.

The auditor's consideration of client continuance and ethical requirements, including independence, occurs throughout the performance of the audit engagement as changes in conditions and circumstances occur. However, the auditor's initial procedures on both client continuance and evaluation of the auditor's ethical requirements (including independence) should be performed prior to performing other significant activities for the current audit engagement. For continuing audit engagements, such initial procedures often occur shortly after (or in connection with) the completion of the previous audit. See QC section 10, *A Firm's System of Quality Control*. [Paragraph amended due to the issuance of SQCS No. 7, December 2008.]

.12 The purpose of performing these preliminary engagement activities is to consider any events or circumstances that may either adversely affect

⁷ Paragraph .07 of section 312, *Audit Risk and Materiality in Conducting an Audit*, states that a misstatement can result from errors or fraud.

the auditor's ability to plan and perform the audit engagement to reduce audit risk to an acceptably low level or may pose an unacceptable level of risk to the auditor. Performing these preliminary engagement activities helps ensure that the auditor plans an audit engagement for which:

- The auditor maintains the necessary independence and ability to perform the engagement.
- There are no issues with management integrity that may affect the auditor's willingness to continue the engagement.
- There is no misunderstanding with the client as to the terms of the engagement.

The Overall Audit Strategy⁸

.13 The auditor should establish the overall audit strategy for the audit.

.14 In establishing the overall audit strategy, the auditor should:

- a. Determine the characteristics of the engagement that define its scope, such as the basis of reporting, industry-specific reporting requirements, and the locations of the entity;
- b. Ascertain the reporting objectives of the engagement to plan the timing of the audit and the nature of the communications required, such as deadlines for interim and final reporting, and key dates for expected communications with management and those charged with governance; and
- c. Consider the important factors that will determine the focus of the audit team's efforts, such as determination of appropriate materiality levels, preliminary identification of areas where there may be higher risks of material misstatement, preliminary identification of material locations and account balances, evaluation of whether the auditor may plan to obtain evidence regarding the operating effectiveness of internal control, and identification of recent significant entity-specific, industry, financial reporting, or other relevant developments.

In developing the audit strategy, the auditor also should consider the results of preliminary engagement activities (see paragraphs .11 and .12) and, where practicable, experience gained on other engagements performed for the entity. The Appendix [paragraph .34] to this section lists examples of matters the auditor may consider in establishing the overall audit strategy for an engagement.

.15 The process of developing the audit strategy helps the auditor determine the resources necessary to perform the engagement, such as:

- The resources to assign for specific audit areas, such as the use of appropriately experienced team members for high-risk areas or the involvement of experts on complex matters;
- The amount of resources to assign to specific audit areas, such as the number of team members assigned to observe the inventory count at material locations, the extent of review of other auditors' work, or the audit budget in hours to allocate to high-risk areas;
- When these resources are to be assigned, such as whether at an interim audit period or at key cutoff dates;

⁸ See paragraphs .04 through .06 of section 318 for further guidance on the auditor's overall responses in performing an audit.

- How such resources are to be managed, directed, and supervised, such as when team briefing and debriefing meetings are expected to be held, how the auditor with final responsibility and manager reviews are expected to take place (for example, on-site or off-site), and whether to complete engagement quality control reviews.

.16 The auditor should update and document any significant revisions to the overall audit strategy to respond to changes in circumstances.

.17 Once the audit strategy has been established, the auditor is able to start the development of a more detailed audit plan to address the various matters identified in the audit strategy, taking into account the need to achieve the audit objectives through the efficient use of the auditor's resources. Although the auditor may establish the audit strategy before developing the detailed audit plan, the two planning activities are not necessarily discrete or sequential processes but are closely interrelated since changes in one may result in consequential changes to the other. Paragraphs .19 through .21 provide further guidance on developing the audit plan.

.18 In audits of small entities, the entire audit may be conducted by a very small audit team. Many audits of small entities involve the auditor with final responsibility (who may be a sole practitioner) working with one audit team member (or without any audit team members). With a smaller team, coordination and communication between team members are easier. Establishing the overall audit strategy for the audit of a small entity need not be a complex or time-consuming exercise; it varies according to the size of the entity and the complexity of the audit. For example, a brief memorandum prepared at the completion of the previous audit, based on a review of the audit documentation and highlighting issues identified in the audit just completed, updated, and changed in the current period based on discussions with the owner-manager, can serve as the basis for planning the current audit engagement.

The Audit Plan

.19 The auditor must develop an audit plan in which the auditor documents the audit procedures to be used that, when performed, are expected to reduce audit risk to an acceptably low level.

.20 The audit plan is more detailed than the audit strategy and includes the nature, timing, and extent of audit procedures to be performed by audit team members in order to obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level. Documentation of the audit plan also serves as a record of the proper planning and performance of the audit procedures that can be reviewed and approved prior to the performance of further audit procedures.

.21 The audit plan should include:

- A description of the nature, timing, and extent of planned risk assessment procedures sufficient to assess the risks of material misstatement, as determined under section 314, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*.
- A description of the nature, timing, and extent of planned further audit procedures at the relevant assertion level for each material class of transactions, account balance, and disclosure, as determined under section 318, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*. The plan for further audit procedures reflects the auditor's decision whether to test the operating effectiveness of controls, and the nature, timing, and extent of planned substantive procedures.

- A description of other audit procedures to be carried out for the engagement in order to comply with generally accepted auditing standards (for example, seeking direct communication with the entity's lawyers).

Planning for these audit procedures takes place over the course of the audit as the audit plan for the engagement develops. For example, planning of the auditor's risk assessment procedures may occur early in the audit process. However, planning of the nature, timing, and extent of specific further audit procedures depends on the outcome of those risk assessment procedures. The auditor should document changes to the original audit plan. In addition, the auditor may begin the execution of further audit procedures for some classes of transactions, account balances, and disclosures before completing the more detailed audit plan of all remaining further audit procedures.

Determining the Extent of Involvement of Professionals Possessing Specialized Skills

.22 The auditor should consider whether specialized skills are needed in performing the audit. If specialized skills are needed, the auditor should seek the assistance of a professional possessing such skills, who may be either on the auditor's staff or an outside professional. If the use of such a professional is planned, the auditor should determine whether that professional will effectively function as a member of the audit team. For example, a tax practitioner or a professional with valuation skills employed by the audit firm may be used to perform audit procedures as part of the audit team's work on the audit. If such a professional is part of the audit team, the auditor's responsibilities for supervising that professional are equivalent to those for other assistants (see paragraph .28). In such circumstances, the auditor should have sufficient knowledge to communicate the objectives of the other professional's work; to evaluate whether the specified audit procedures will meet the auditor's objectives; and to evaluate the results of the audit procedures applied as they relate to the nature, timing, and extent of further planned audit procedures.

.23 The use of professionals possessing information technology (IT) skills to determine the effect of IT on the audit, to understand the IT controls, or to design and perform tests of IT controls or substantive procedures is a significant aspect of many audit engagements. In determining whether such a professional is needed on the audit team, the auditor should consider such factors as the following:

- The complexity of the entity's systems and IT controls and the manner in which they are used in conducting the entity's business
- The significance of changes made to existing systems, or the implementation of new systems
- The extent to which data is shared among systems
- The extent of the entity's participation in electronic commerce
- The entity's use of emerging technologies
- The significance of audit evidence that is available only in electronic form

.24 Audit procedures that the auditor may assign to a professional possessing IT skills include inquiring of an entity's IT personnel how data and transactions are initiated, authorized, recorded, processed, and reported and how IT controls are designed; inspecting systems documentation; observing the operation of IT controls; and planning and performing tests of IT controls.

Communication With Those Charged With Governance

.25 Section 380, *The Auditor's Communication With Those Charged With Governance*, requires the auditor to communicate with those charged with governance an overview of the planned scope and timing of the audit. [As amended, effective for audits of financial statements for periods beginning on or after December 15, 2006, by Statement on Auditing Standards No. 114.]

Additional Considerations in Initial Audit Engagements

.26 The auditor should perform the following activities before starting an initial audit:

- a. Perform procedures regarding the acceptance of the client relationship and the specific audit engagement (see QC section 10).
- b. Communicate with the previous auditor, where there has been a change of auditors (see section 315)

[Paragraph amended due to the issuance of SQCS No. 7, December 2008.]

.27 The purpose and objective of planning the audit are the same whether the audit is an initial or recurring engagement. However, for an initial audit, the auditor may need to expand the planning activities because the auditor does not ordinarily have the previous experience with the entity that is considered when planning recurring engagements. For initial audits, additional matters the auditor should consider in developing the overall audit strategy and audit plan include the following:

- Arrangements to be made with the previous auditor, for example, to review the previous auditor's audit documentation.
- Any major issues (including the application of accounting principles or of auditing and reporting standards) discussed with management in connection with the initial selection as auditors, the communication of these matters to those charged with governance, and how these matters affect the overall audit strategy and audit plan.
- The planned audit procedures to obtain sufficient appropriate audit evidence regarding opening balances.
- The assignment of firm personnel with appropriate levels of capabilities and competence to respond to anticipated significant risks.
- Other procedures required by the firm's system of quality control for initial audit engagements (for example, the firm's system of quality control may require the involvement of another partner or senior individual to review the overall audit strategy prior to commencing significant audit procedures or to review reports prior to their issuance).

Supervision

.28 Supervision involves directing the efforts of assistants who are involved in accomplishing the objectives of the audit and determining whether those objectives were accomplished. Elements of supervision include instructing assistants, keeping informed of significant issues encountered, reviewing the work performed, and dealing with differences of opinion among firm personnel. The extent of supervision appropriate in a given instance depends on many factors, including the complexity of the subject matter and the qualifications of persons performing the work, including knowledge of the client's business and industry.

.29 The auditor with final responsibility for the audit should communicate with members of the audit team regarding the susceptibility of the entity's financial statements to material misstatement due to error or fraud, with special emphasis on fraud. Such discussion helps all audit team members understand the entity and its environment, including its internal control, and how risks that the entity faces may affect the audit. The discussion should emphasize the need to maintain a questioning mind and to exercise professional skepticism in gathering and evaluating evidence throughout the audit.⁹

.30 In addition, assistants should be informed of their responsibilities and the objectives of the audit procedures they are to perform. They should be informed of matters that may affect the nature, timing, and extent of audit procedures they are to perform, such as the nature of the entity's business as it relates to their assignments and possible accounting and auditing issues. The auditor with final responsibility for the audit should direct assistants to bring to his or her attention accounting and auditing issues raised during the audit that the assistant believes are of significance to the financial statements or auditor's report so the auditor with final responsibility may assess their significance. Assistants also should be directed to bring to the attention of appropriate individuals in the firm difficulties encountered in performing the audit, such as missing documents or resistance from client personnel in providing access to information or in responding to inquiries.

.31 The work performed by each assistant, including the audit documentation, should be reviewed to determine whether it was adequately performed and documented and to evaluate the results, relative to the conclusions to be presented in the auditor's report. The person with final responsibility for the audit may delegate parts of the review responsibility to other assistants, in accordance with the firm's quality control system. See section 339, *Audit Documentation*, for guidance on documenting the review of audit documentation.

.32 Each assistant has a professional responsibility to bring to the attention of appropriate individuals in the firm disagreements or concerns with respect to accounting and auditing issues that the assistant believes are of significance to the financial statements or auditor's report, however those disagreements or concerns may have arisen. The auditor with final responsibility for the audit and assistants should be aware of the procedures to be followed when differences of opinion concerning accounting and auditing issues exist among firm personnel involved in the audit. Such procedures should enable an assistant to document his or her disagreement with the conclusions reached if, after appropriate consultation, he or she believes it necessary to disassociate himself or herself from the resolution of the matter. In this situation, the basis for the final resolution should also be documented.

Effective Date

.33 This section is effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.

⁹ For further guidance on the discussion among the audit team, see paragraphs .14 through .18 of section 316, *Consideration of Fraud in a Financial Statement Audit*, and paragraphs .14 through .20 of section 314.

Appendix

Examples of Matters the Auditor May Consider in Establishing the Overall Audit Strategy

A1. This appendix provides examples of matters the auditor may consider in establishing the overall audit strategy. Many of these matters will also influence the auditor's detailed audit plan. The examples provided cover a broad range of matters applicable to many engagements. Not all matters listed here are relevant to every audit engagement and the list is not necessarily complete. In addition, the auditor may consider these matters in an order different from that shown below.

Scope of the Audit Engagement

A2. The auditor may consider the following matters when establishing the scope of the audit engagement:

- The basis of reporting on which the financial information to be audited has been prepared, including any need for reconciliations to another basis of reporting.
- Industry-specific reporting requirements, such as reports mandated by industry regulators.
- The expected audit coverage, including the number and locations to be included.
- The nature of the control relationships between a parent and its subsidiaries that determine how the group is to be consolidated.
- The extent to which locations are audited by other auditors.
- The nature of the subsidiaries or divisions to be audited, including the need for specialized knowledge.
- The reporting currency to be used, including any need for currency translation for the financial information audited.
- The need for statutory or regulatory audit requirements, for example, the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*.
- The availability of the work of internal auditors and the extent of the auditor's potential reliance on such work.
- The entity's use of service organizations and how the auditor may obtain evidence concerning the design or operation of controls performed by them.
- The expected use of audit evidence obtained in prior audits, for example, audit evidence related to risk assessment procedures and tests of controls.
- The effect of information technology on the audit procedures, including the availability of data and the expected use of computer-assisted audit techniques.

- The coordination of the expected coverage and timing of the audit work with any reviews of interim financial information and the effect on the audit of the information obtained during such reviews.
- The discussion of matters that may affect the audit with firm personnel responsible for performing other services to the entity.
- The availability of client personnel and data.

Reporting Objectives, Timing of the Audit, and Communications Required

A3. The auditor may consider the following matters when ascertaining the reporting objectives of the engagement, the timing of the audit, and the nature of communications required:

- The entity's timetable for reporting, including interim periods.
- The organization of meetings with management and those charged with governance to discuss the nature, extent, and timing of the audit work.
- The discussion with management and those charged with governance regarding the expected type and timing of reports to be issued and other communications, both written and oral, including the auditor's report, management letters, and communications to those charged with governance.
- The discussion with management regarding the expected communications on the status of audit work throughout the engagement and the expected deliverables resulting from the audit procedures.
- Communication with auditors of other locations regarding the expected types and timing of reports to be issued and other communications in connection with the audit of other locations.
- The expected nature and timing of communications among audit team members, including the nature and timing of team meetings and timing of the review of work performed.
- Whether there are any other expected communications with third parties, including any statutory or contractual reporting responsibilities arising from the audit.

Scope of the Audit

A4. The auditor may consider the following matters when setting the scope of the audit:

- With respect to materiality:
 - Setting materiality for planning purposes.
 - Setting and communicating materiality for auditors of other locations.
 - Reconsidering materiality as audit procedures are performed during the course of the audit.
 - Identifying the material locations and account balances.
- Audit areas where there is a higher risk of material misstatement.
- The effect of the assessed risk of material misstatement at the overall financial statement level on scope, supervision, and review.

The Standards of Field Work

- The selection of the audit team (including, where necessary, the engagement quality control reviewer) and the assignment of audit work to the team members, including the assignment of appropriately experienced team members to areas where there may be higher risks of material misstatement.
 - Engagement budgeting, including considering the appropriate amount of time to set aside for areas where there may be higher risks of material misstatement.
 - The manner in which the auditor emphasizes to audit team members the need to maintain a questioning mind and to exercise professional skepticism in gathering and evaluating audit evidence.
 - Results of previous audits that involved evaluating the operating effectiveness of internal control, including the nature of identified weaknesses and action taken to address them.
 - Management's commitment to the design and operation of internal control.
 - Volume of transactions, which may be a factor in determining whether it is more effective for the auditor to rely on internal control.
 - Importance attached to internal control throughout the entity to the successful operation of the business.
 - Significant business developments affecting the entity, including changes in information technology and business processes; changes in key management; and acquisitions, mergers, and divestments.
 - Significant industry developments, such as changes in industry regulations and new reporting requirements.
 - Significant accounting changes, such as changes in generally accepted accounting principles.
 - Other significant relevant developments, such as changes in the legal environment affecting the entity.
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